

and 1395(a) and (b).

STATUTORY BASIS FOR FORFEITURE

3. This is a civil action *in rem* brought to enforce the provisions of 18 U.S.C. § 981(a)(1)(C), which provides for the forfeiture of "[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting 'specified unlawful activity' (as defined in [18 U.S.C.] section 1956(c)(7) of this title), or a conspiracy to commit such offense." Title 18 U.S.C. §§ 1955 (operating an illegal gambling business), is a "specified unlawful activity" pursuant to 18 U.S.C. §§ 1956(c)(7) and 1961(1). The Defendant Funds are subject to forfeiture under 18 U.S.C. § 981(a)(1)(C) because the cashier's checks are the substitute *res* for real properties which were acquired, in whole or in part, from proceeds traceable to a specified unlawful activity, specifically 18 U.S.C. § 1955 (prohibition of illegal gambling businesses).

FACTUAL BASIS FOR FORFEITURE

4. In support of the assertions in paragraph 3 above, Plaintiff would show the Court that on July 1, 2016 the United States initiated a civil forfeiture action against the real property and improvements known as the Red Top Amusement Center located at 1920 East Saunders Street, Laredo, Texas; and the Flamingo located at 9710 McPherson Road, Laredo, Texas.¹ Claimant Jerry Kawai Pang, individually and as President of Freeway Connection, Inc. filed a claim and answer to the lawsuit.²

5. During the pendency of the forfeiture action, the parties entered into a settlement agreement contingent upon the District Court's allowance of a substitution of a monetary amount which

¹ See *United States of America v. The Real Properties located 9710 McPherson Road in Laredo, Texas; 1920 East Saunders Street, Laredo, Texas; and 2331 Endeavor Drive, Laredo, Texas*; 5:16-CV-188.

² *Id.* at Dkt. No 5.

would be forfeited in lieu of the real property.³ Under the terms of the settlement agreement, Claimant Jerry Pang agreed to tender and forfeit to the United States the sum \$800,000 and \$400,000, respectively, in lieu of the forfeiture of the Defendant real properties.⁴ On June 17, 2017, the District Court granted the Agreed Motion to Substitute a Monetary Amount and ordered the sum of \$800,000 to be substituted for the property located at 9710 McPherson Road and \$400,000 for the property located at 1920 East Saunders.⁵ The District Court further ordered that “[t]he monies received by the government be treated in the same manner as the real properties and be subject to forfeiture to the United States as set forth in the Complaint for Forfeiture.”⁶

6. Claimant Jerry Pang tendered to the United States Falcon International Bank cashier’s check No. 01246 in the amount of \$800,000 and Falcon International Bank cashier’s check No. 01247 in the amount of \$400,000. On July 7, 2017 and pursuant to the terms of the settlement agreement, the parties entered a Stipulation of Dismissal with prejudice.⁷

7. Prior to the entry of a Stipulation of Dismissal and contrary to the District Court’s instruction that the monies received be treated in the same manner as the property subject to forfeiture, a Final Order of Forfeiture was not entered against the Defendant Funds. In order to effectuate the terms of the Settlement Agreement and complete the agreed upon forfeiture, the United States files this forfeiture action against the Defendant Funds, which represent or are traceable to proceeds of the operation of an illegal gambling business.

3 *Id.* at Dkt. No. 22.

4. *Id.* at Dkt. No. 22. Para. 2.1.

5. *Id.* at Dkt. No. 23. The third property located at 2331 Endeavor, Laredo, Texas and involved in the civil forfeiture action was criminally forfeited to the United States in 5:16-cr-940 and was, therefore, not accounted for in the settlement agreement or Order.

6. *Id.*

7. *Id.* at Dkt. No. 24.

NOTICE TO ANY POTENTIAL CLAIMANT

YOU ARE HEREBY NOTIFIED if you assert an interest in the property subject to forfeiture and want to contest the forfeiture, you must file a verified claim which fulfills the requirements set forth in Rule G of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions. The verified claim must be filed no later than thirty-five (35) days from the date this complaint is sent, in accordance with Rule G(5).

An answer or motion under Fed. R. Civ. P. 12 must be filed no later than twenty-one (21) days after filing the claim. The claim and answer must be filed with the United States District Clerk for the Southern District of Texas, and a copy must be served upon the undersigned Assistant United States Attorney at the address provided in this complaint below.

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays for the following:

1. That notice of forfeiture issue according to the normal procedure of the Court citing all persons having an interest in the Defendant Funds to appear on the return day of said process and make such Claim and Answer as they may have; and
2. That a Judgment of Forfeiture be decreed against the Defendant Funds; and
3. That, following a Judgment of Forfeiture, the Defendant Funds be disposed of according to law.

Respectfully submitted,

JENNIFER B. LOWERY
ACTING UNITED STATES ATTORNEY

BY: /s/ Mary Ellen Smyth
Mary Ellen Smyth, Assistant U.S. Attorney
Tex. Bar. No. 18779100
Southern District Adm. 31348
11204 McPherson Road, Suite 100A
Laredo, Texas 78045
(956)723-6523
email: Mary.Ellen.Smyth@usdoj.gov

VERIFICATION

I, Kevin Julich, Special Agent with the Homeland Security Investigations in Laredo, Texas, declare under penalty of perjury that I am one of the agents responsible for the investigation concerning this litigation. I have read the above Complaint for Forfeiture *in rem*. Based upon the investigation conducted by myself and other agents of the Homeland Security Investigations and of which I have knowledge, the facts contained in the Complaint for Forfeiture, paragraphs four through seven, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

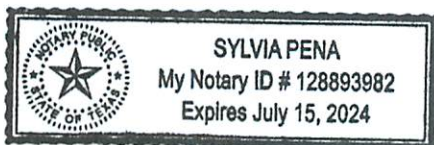
Executed on this the 30 day of August, 2021.



Kevin Julich, Special Agent
Homeland Security Investigations

STATE OF TEXAS
COUNTY OF WEBB

SUBSCRIBED and SWORN to before me the undersigned Notary Public on this the 30 day of August, 2021.


Notary Public for the State of Texas

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